

LOCAL GOVERNMENT (IRELAND) ACT, 1898 (METHOD OF
DETERMINING AMOUNTS TO BE TAKEN AS HAVING
BEEN RAISED IN STANDARD YEAR).

RETURN to an Order of the Honourable The House of Commons,
dated 16 June 1899 ;—for,

COPY "of MEMORANDUM respecting the Method adopted in determining the
AMOUNTS of POOR RATE and COUNTRY CESS to be taken as having been
raised during the Standard Financial Year under Section 49 of the Local
Government (Ireland) Act, 1898."

Irish Office,
16 June 1899. }

GERALD BALFOUR,

(*M^r. Gerald Balfour*)

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1899.

Memorandum respecting the Method adopted in determining the Amounts of Poor Rate and County Cess to be taken as having been raised during the Standard Financial Year under Section 49 of the Local Government (Ireland) Act, 1898.

The certificates in relation to the amounts to be taken for the purposes of the Act as having been raised by poor rate and county cess in the standard financial year, which form the basis on which the Agricultural Grant is calculated, are required by section 49 to be prepared by the Local Government Board, subject to the provisions of the Act with respect to excluded charges, and on the report of the Commissioner of Valuation made in accordance with the prescribed rules.

The prescribed rules are as follows:—

“1. The amount which shall be taken for the purposes of the Local Government (Ireland) Act, 1898, as having been raised in the whole of Ireland by poor rate and county cess during the standard financial year shall be ascertained by the Commissioner of Valuation from the returns made to him by the boards of guardians and grand juries of the rates and cess made or apportioned during the standard year, after making such corrections therein as may appear to him to be required on the examination of the same, or by reason of any further information obtained by him from the Local Government Board, any local authority, or otherwise.

“In determining the amount to be taken as having been raised as aforesaid for the purposes of the Act, the amount of the said rates certified by the Local Government Board to have been declared irrecoverable during the standard year shall be deducted. The Commissioner of Valuation shall take into consideration any alteration in the area of the county or other district of the local rating authority made since the commencement of the standard financial year, and any other special circumstances affecting the amount taken to be raised during the year.

“2. The Commissioner of Valuation shall apportion the amount so taken as having been raised between agricultural land as defined by the Act, and all other rateable hereditaments respectively according to the valuation given in the valuation lists issued before the Summer Assizes of 1896.”

It will be seen that the starting point adopted in determining the amounts to be taken as having been raised by poor rate and county cess in the standard financial year is the assessment of that year less the amounts certified by the Local Government Board to have been declared irrecoverable during the year.

An important provision, however, is inserted in the Act requiring that in determining the amounts in question account shall be taken of “any exceptional circumstances which appear to the Board to have caused a variation from the average.”

The first question to be considered in determining the variation in unions or counties was the period which should be taken as fairly representing the “average” for the purposes of the section.

Upon this point the Board deemed it right to ascertain the course of procedure adopted in England in calculating the Agricultural Grant, and were informed that although there was no reference to the “average” in the English Act, nevertheless the English Local Government Board, whenever a basis of comparison was desired for the year’s assessment, had usually taken an average of three years.

Influenced by this, and also by the fact that the three years ending with the standard year included one year of distress and two of normal prosperity, the Board decided to take the three financial years 1894-5, 1895-6, and 1896-7 for the purpose of calculating the average under this section.

In many unions and in some of the counties the assessment varied very slightly from the average. Where the variation from the average assessment in any county or union did not exceed $2\frac{1}{2}$ per cent., it was provisionally assumed

that "exceptional circumstances" such as are contemplated in the section were absent. In all these cases, therefore, unless special representations were made by the local authorities, the assessment for the standard year, less the amount declared to be irrecoverable, was accepted without further inquiry as the basis for determining the amounts to be taken as having been raised during that year for the purposes of the Act. The limit of $2\frac{1}{2}$ per cent., was fixed, after careful consideration, as the reasonable margin which might be allowed for the ordinary and natural fluctuations occurring from year to year.

In the counties and unions where the variation from the average exceeded $2\frac{1}{2}$ per cent., or where any special claim was made by the local authorities, the Board communicated with the guardians or county officials, apprising them of the amount by which their 1896-7 assessment varied from the average assessment, and invited them to express their views as to the addition or deduction which should be made to or from the rate for the purpose of calculating the agricultural grant due to the county or union.

On examining the various grounds upon which the local authorities considered the figures should be modified, the Board came to the conclusion that the arguments put forward in some cases in favour of taking actual expenditure for the purpose of determining the variation were sound. Still, the average assessment could not be excluded from consideration, and as either plan taken singly would have been open to objection in individual cases, it was decided to take the mean between the average assessment and the average expenditure as the basis for comparison with the standard year.

In calculating the average expenditure for this purpose all the sums defrayed from loans, parliamentary grants, &c., were deducted so that the expenditure should represent the normal amount which had to be actually raised by means of the current rates.

In the counties the mean between assessment and expenditure from cess was alone relied upon. But in the unions a further element, namely, the balance shown by the clerk's certified return of assets and liabilities, was taken into account. It was not considered safe to take this into calculation in the case of the counties, because the true balance, in the absence of any ledger or customary form of account, could not always be found.

In unions, however, the true balance at the commencement and end of the financial year could be accurately ascertained from the ledger, and, as a rule, it corresponded closely with the result arrived at by computing the variation on the same principle as that adopted in the counties.

It would have made no appreciable difference so far as the whole of Ireland was concerned, whether the ledger balance was included in the calculation or not, but as many boards of guardians relied upon it, while others discarded it and appealed to assessment and expenditure, a mean of the assessment, expenditure and ledger balance was ultimately decided on as affording on the whole the most satisfactory basis of comparison for unions.

Where the assessment for the standard year did not vary from the average arrived at in the manner above described by more than $2\frac{1}{2}$ per cent., there was held to have been no variation within the meaning of the Act, i.e., no variation caused by "exceptional circumstances." Where, on the other hand, the assessment for the standard year varied from the average by more than $2\frac{1}{2}$ per cent., the amount of the variation in excess of $2\frac{1}{2}$ per cent., was, for the purpose of the section, either added to or deducted from the standard year assessment as the case might require.

The application of the foregoing methods of calculation has led to the following results:—

In 22 counties and 72 unions there was held to have been no variation within the meaning of the Act.

In 6 counties the variation by way of deduction amounts to a total of 3,961*l.*, and in 9 counties, by way of addition, to a total addition of 13,695*l.*, the net result being an addition of 9,734*l.* to the assessment of the standard year for county cess.

In 49 unions there is an addition of 16,626*l.*, and in 38 unions a deduction of 15,049*l.*, leaving a net addition of about 1,577*l.*

Tables are appended showing by typical instances the modes of procedure adopted in determining variations from the average.

TABLE A.—Local Government (Ireland) Act, 1894.—Section 49, Subsection 2.

TABLES FROM ACCOUNTS OF COUNCILS AND BOARDS FOR FINANCIAL YEAR.
(Typical instances showing the Mode of Procedure adopted.)

CITY/TOWN.	REVENUE.	EXPENDITURE.	Expenses, including Payments for Enforcement of Laws, being Statutory Taxes and rates of the preceding Year.				Taxes and rates levied in the preceding Year.				Amount of the total in the preceding Year.				REVENUE.	REVENUE.		EXPENDITURE.		REVENUE.		EXPENDITURE.		REVENUE.		EXPENDITURE.		
			1894.	1895.	1896.	TOTAL.	1894.	1895.	1896.	TOTAL.	1894.	1895.	1896.	TOTAL.		1894.	1895.	1896.	TOTAL.	1894.	1895.	1896.	TOTAL.	1894.	1895.	1896.	TOTAL.	
I. COUNTY OF DUBLIN.																												
County	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
District	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Wards	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
II. DISTRICT OF DUBLIN.																												
District	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Parishes	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Suburbs	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000

